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www.pacebus.com

**Suburban Bus Division of the Regional Transportation Authority
550 West Algonquin Road
Arlington Heights, Illinois
Open Session of the Board of Directors**

June 13, 2018

The Board of Directors of Pace, the Suburban Bus Division of the Regional Transportation Authority, met in public session on Wednesday, June 13, 2018 at 4:30 p.m. at Pace corporate headquarters, 550 West Algonquin Road, Arlington Heights, Illinois, pursuant to notice.

Chairman Kwasneski led the assembly in the Pledge of Allegiance.

Chairman Kwasneski called the meeting to order at 4:30 p.m.

Roll Call

Directors physically present: Canning, Carr, Hastings, Larson, Schielke, Shepley, Tamley, Wells, and Chairman Kwasneski.

Directors attending by phone: Soto and Stephens.

Directors absent: Claar and Marcucci.

Chairman Kwasneski asked for a motion, and a second to allow Directors Soto and Stephens to attend the meeting via teleconference.

Director Larson moved, and Director Schielke seconded the motion to allow Directors Soto and Stephens to attend the meeting via teleconference. The motion passed with a unanimous vote.

Director Stephens joined the meeting via teleconference immediately after the vote was taken.

Director Soto joined the meeting via teleconference at 4:35 p.m.

Director Wells arrived at 4:36 p.m.

SBD #18-39 – Resolution approving the minutes of the Open Session meeting of May 9, 2018.

BOARD OF DIRECTORS

Richard A. Kwasneski, Chairman

Christopher S. Canning Terrance M. Carr Roger C. Claar Kyle R. Hastings Al Larson Thomas D. Marcucci

Jeffrey D. Schielke Aaron T. Shepley Linda Soto Bradley A. Stephens Karen Tamley Terry R. Wells

Thomas J. Ross

Executive Director

Director Schielke moved, and Director Shepley seconded a motion to approve the minutes of the Open Session meeting of May 9, 2018. The motion passed with a unanimous vote.

Public Comment

Public comments were brought before the Board by Scott Figvea and Garland Armstrong. Mr. Figvea commented on ADA accessibility of Golf Road bus shelters. Mr. Armstrong commented on the proposed service changes in the City of Evanston.

Report of Chairman

Chairman Kwasneski reported Directors Soto, Shepley, Schielke have been reappointed to the Board of Directors of Pace for a term of four years. Chairman Kwasneski has also been reappointed as Chairman of the Pace Board of Directors for a term of four years.

Directors' Reports

Director Schielke reported he has received positive feedback from northern Kane County regarding the I-90 Bus on Shoulder service. In the next couple of months, Pace will meet with and invite county board members and municipal officials from northern Kane County to ride the Bus on Shoulder.

Director Tamley reported on matters discussed in the Audit Committee Meeting she attended immediately preceding the board meeting (Director Carr, Dominick Cuomo, Pace's Chief Financial Officer, and Jason Coyle, a partner with the auditing firm of Baker Tilly were also in attendance) including the Pace Comprehensive Annual Financial Report for the year ending December 31, 2017 and the report on the Federal Awards for Fiscal Year ending 2017. Both reports contain an unmodified clean opinion and there were no findings; and a report on the Communications to Those Charged with Governance and Management for 2017 in which there were no findings or recommendations for management.

Director Tamley also reported on the results of an external quality control review of Pace's internal audit department. A site visit was conducted March 19-23, 2018 by three independent professional external auditors in accordance with the Guidelines for the Association of Local Government Auditors. They concluded Pace's internal audit's quality control system was suitably designed and operating effectively for the five-year period of November 1, 2012 through October 21, 2017. The results of the external quality review were favorable. Two minor suggestions were offered.

Director Soto reported she attended the Lake County Board Meeting on June 8, 2018 where a new Pace bus used for Bus on Shoulder service was present and available for the public to tour. She received favorable comments from the Lake County Board.

Report of Executive Director

T.J. Ross reported May ridership reports are mixed. The ridership for the year is running about 2.5% less than last year; however, the two garages that are seeing year-over-year increase are River which ran 10% above May 2017 and Heritage which ran 6 to 7% above May 2017. Vanpool also showed an increase.

The opening of Barrington Road Bus Express Station on June 11, 2018; however, it has been delayed. Nicor and AT&T have not yet completed their work on this project.

Pace had a review with the FTA about grants and how Pace is spending federal dollars. FTA seems pleased with the direction Pace is going with grant administration and spending.

On June 11, 2018, the BNSF Metra line implemented a new schedule, the first in decades. Pace staff has adjusted the bus schedule and was on site last week handing out schedules, and advising the changes to the public. Pace has not had any complaints about the service it is providing to the Metra station.

A joint meeting of the ADA Advisory Committee was held at Pace Headquarters. Pace's technology changes were discussed in that how customers can receive enhanced information, such as how to order trips and how to track trips.

The Barrington Road Express station is anticipated to be complete and opened by August 2018. The Plainfield Park-n-Ride currently under construction for over 400 vehicles is anticipated to open mid-August.

Pace is obtaining Board Member input on its procurement processes. Positive changes in forms as well as some of the information provided is to come in the next few months.

Action Items

SBD #18-40 Ordinance authorizing acceptance of the Annual Year End Financial Audit Reports for the year ended December 31, 2017.

Director Schielke moved, and Director Shepley seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Hastings, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #18-41 Ordinance authorizing amending the 2017 Operating Budget. The amendment to the 2017 Operating Budget implements "clean-up" actions associated with the annual audit that are in keeping with Pace's policy on line item budget control.

Director Shepley moved, and Director Larson seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Hastings, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #18-42 – Ordinance authorizing implementing the proposed Phase 1 service changes for Route 208 and the proposed modified service changes for Route 213 as part of the August 2018 pick.

Director Schielke moved, and Director Carr seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Hastings, Larson,

Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #18-43 – Ordinance authorizing the award of a contract to 1st Choice Taxi Inc. of Naperville; 303, LLC; Blue Ribbon Taxi Association, Inc.; Bolingbrook Taxi and Limousine Co.; Dependable Transportation Services LLC; Freedom 1st Transportation, LLC; Itasca Services, Inc. DBA Alliance Taxi; Ride X Corp.; Safe Passage Transit LLC; SCR Medical Transportation, Inc. for Taxicab/Livery Services for Pace Paratransit Services.

Director Larson moved, and Director Carr seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Hastings, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #18-44 – Ordinance authorizing the award of a contract to First Transit, Inc., for Will County Paratransit Services.

Director Schielke moved, and Director Larson seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Hastings, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #18-45 – Ordinance authorizing a Change Order to Contract Number 217069 with Bloom Companies, LLC for Architectural and Engineering Services for the South Campus Master Planning, Acceptance Facility, and Office Building.

Director Shepley moved, and Director Carr seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Hastings, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

Issues/Discussions/Reports

Rocky Donahue, Deputy Executive Director of External Relations and Acting Deputy Executive Director of Internal Services, gave an update on State legislative actions. A budget has been passed for the first time since 2014 by the scheduled adjournment date of May 31, 2017. Pace, along with RTA, CTA and Metra lobbied to get some funding restored that was lost in the State's fiscal year 2018 budget. The budget passed impacts Pace in that it reduces the cut in PTF funding from 10% to 5%, reduces the handling fee on sales tax from 2% to 1.5%. These two items provide Pace with approximately \$3 million in additional funds for fiscal year 2019 than it received in 2018, but still \$5 million less funding than it received in 2017.

There is no change in half-fare funding. ADA grants is funded at \$8.4 million which was funded at \$8.5 million since 2009.

Chairman Kwasneski asked for a motion to adjourn into Closed Session for the purposes of discussing closed session minutes (2-C-21), real estate purchase (2-C-5), pending litigation (2-C-11), and the appointment, employment, compensation, discipline, performance, or dismissal of a

specific employee or legal counsel for Pace (2-C-1). Director Schielke moved, and Director Larson seconded the motion. The motion passed with a unanimous vote from the Board of Directors at 5:37 p.m.

Reconvene

Chairman Kwasneski reconvened the Open Session of the Pace Board of Directors meeting at 6:29 p.m.

Directors physically present: Canning, Carr, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski.

Directors by phone: Soto and Stephens.

Directors absent: Claar, Hastings, and Marcucci.

Action Items

SBD #18-46 – Resolution approving the minutes of the May 9, 2018 Board Meeting, Closed Session.

Director Caar moved, and Director Shepley seconded a motion to approve the minutes of the Closed Session meeting of May 9, 2018. The motion passed with a unanimous vote.

SBD #18-47 – Ordinance approving the public availability of Closed Session Minutes.

Director Larson moved, and Director Shepley seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #18-48 – Ordinance approving the destruction of verbatim records of Closed Session Minutes.

Director Schielke moved, and Director Shepley seconded a motion to approve the Ordinance. The motion passed with the following roll call vote: Directors Canning, Carr, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

SBD #18-49 – Ordinance authorizing the Executive Director to sign a Purchase and Sales Agreement and make an earnest money payment.

Director Shepley moved, and Director Schielke seconded a motion to approve action discussed in Closed Session. The motion passed with the following roll call vote: Directors Canning, Carr, Larson, Schielke, Shepley, Soto, Stephens, Tamley, Wells, and Chairman Kwasneski. All Directors voted Aye.

Adjournment

There being no further business, Chairman Kwasneski asked for a motion and a second to adjourn the meeting.

Director Shepley moved, and Director Larson seconded a motion to adjourn the Pace Board of Directors meeting. The motion passed with a unanimous vote. The meeting adjourned at 6:32 p.m. p.m.

The next regular meeting of the Pace Board of Directors will be held on Wednesday, July 11, 2018 at 4:30 p.m. at Pace Corporate Headquarters, 550 West Algonquin Road, Arlington Heights, Illinois.

Karen Kase
Acting Secretary, Board of Directors